

TAB 11



U.S. Department of Labor  
Wage Hour Division

JAMES F. KESSLER  
Compliance Officer

*Caryl*

103 South Gay Street  
Suite 207  
Baltimore, MD 21202-4061

(410) 962-4904

# Privileged & Confidential

## DOL AUDIT REVIEW

March 21, 2001

### DOL

Hap Perry  
Jim Kessler 202.693.0508  
Carol Stribling 704.334.6307

### Mountaire

Dee Ann Landreth  
Mike Tirrell  
John Wise  
Mark Reif

### Audit Period

May 1998 -- May 2000

Hap Perry said they will not give us anything in writing. We can request audit results through FOIA, but they will deny it.

1. FMLA -- OK
2. Child Labor -- OK
3. Minimum Wage -- DOL claims we are "training" new catchers on the job, but not paying them (2 workers, 3 days each). Catchers. We could find no evidence of this.
4. O.T. -- Catchers should be paid O.T. Drivers and forklift not. House-to-house travel is compensable for hours worked. Crew leaders should also be paid OT because they are not salary. We can solve this by making salary. If crew leaders provide transportation due to MSWDA need:
  - Drivers License
  - Physical (and carry w/driver)
  - Vehicle Inspection
  - Ins. Req. (\$100,000 per seat)
  - MSWPA -- disclose conditions of employment at time of offer -- posting requirement (in van).
  - Pay stub should have name and employer federal I.D.
5. FLSA -- 1) PPE if people buy products and that causes their wages to fall below minimum wage, that is a violation.
  - If you charge over the actual cost, if the profit is a violation.
6. Maint. Bonus -- needs to be included in straight time pay in order to calculate OT.

B0097

## **Privileged & Confidential**

7. FLSA – exempt/non exempt. (DOL considers the following positions non-exempt):
  1. NS. Nurse
  2. Office Mgr – Trans (Pat Beasley)
  3. Trainers (3)
  4. Safety Coordinator
  5. Administrative Assistant (3), Robin P., Rafael V, Karen W.
  6. Benefits Manager – Maria Voss
  7. N.S. H.R. Mgr – Conchita Raga
8. Pre Shift Preparatory Activities
  1. Donning, waiting in line.
  2. Maint. Men – finding out from previous shift what happened during that shift.
9. Breaks
  1. 30 min break – washing, doffing, break time, donning = < 30 min.
10. Post Shift Concluding Activities
  1. Wash, remove PPE
11. Record Keeping
  1. Inaccurate hours worked line employees and catchers.
12. In exchange not to sue us, DOL wants:
  1. Assurance of future compliance (corporate wide).
  2. What specific steps will we take to assure compliance?
    - \* If we achieve compliance with 1 & 2, then we will discuss how much back pay.

Back pay discussion (donning, doffing & 30 min ± lunch) = one hour per day,  
∴ 5 hours/week.

\*\* Check the 401k eligibility for “live haul contractors” that DOL now says are employees.

Fox vs Tyson case (North Alabama?)

“Hot Goods”

DOL says that Pension Plan Group is looking at this issue (employees- Live Haul)



Mountaire Farms-NC  
05/26/00

B0099

US DEPARTMENT OF LABOR AUDIT - May 25, 2000

1. USDOL SUMMARY

2. Payroll, etc., for the period from February 1998 through February 2000 (two years) will be inspected.
3. Provide the names of all catching crew contractors. (Separate meetings were held by USDOL with catching crew contractors.)

4. What is the current number of employees (hourly and salaried) at the facility?

**1,284 HOURLY**  
**108 SALARIED**

5. How many shifts at the plant?

**THREE - TWO PROCESSING**  
**ONE SANITATION**

How many employee per shift?

- ✓ **1<sup>ST</sup> SHIFT - 633**  
✓ **2<sup>ND</sup> SHIFT - 566**  
✓ **3<sup>RD</sup> SHIFT - 85**

6. What is the "turnover rate" for the plant?

**1998 - 1.19%**  
**1999 - 1.96%**  
**2000 - 2.71% (ADDITION OF 500+ SECOND SHIFT**  
**EMPLOYEES)**

7. How many time clocks in the plant?

**TWO - LOCATED NEXT TO EACH OTHER**

- Which clocks are for punching employee time cards?

**Both**

- Which clocks are for punching master card for line time?

**EITHER COULD BE UTILIZED ALTHOUGH DEPARTMENT STOPWATCHES ARE ALSO USED.**

- Where are the clocks located?

**IN THE BREAK AREA/SUPPLY ROOM AREA**

8. Which employees are paid according to line time?

**1<sup>st</sup> & 2<sup>nd</sup> PROCESSING EMPLOYEES ONLY**

Which employees are not paid according to line time?

**NO OTHER EMPLOYEES ARE PAID ACCORDING TO LINE TIME.**

**SANITATION EMPLOYEES ARE GUARANTEED 8 HOURS PER DAY WHETHER THEY WORK THAT NUMBER OR NOT. IF THEY WORK MORE THAN EIGHT HOURS, THEY ARE PAID FOR THE ADDITIONAL HOURS.**

9. How are the following employees paid?

- Sanitation

**GUARANTEED EIGHT HOURS A DAY EVEN IF THEY  
WORK LESS; IF THEY WORK MORE THAN EIGHT HOURS,  
ARE PAID ACCORDINGLY.**

- Maintenance

**MODIFIED TIME PUNCH/LINE TIME**

- QC

**PERSONAL TIME PUNCH**

- Waste Water

**PERSONAL PUNCH TIME**

10. How many breaks do the employees receive?

- When are breaks given?

**BETWEEN START-UP AND LUNCH BREAK**

**LUNCH BREAK**

**AFTER LUNCH, STAGGERED REST ROOM BREAKS**

- How long?

**✓ FIRST BREAK (10 MINUTES)**

**✓ LUNCH BREAK (30 MINUTES)**



✓ **STAGGERED BATHROOM BREAKS IN AFTERNOON NO SET TIME.**

- Are the breaks paid or unpaid?
  - **10 MINUTE IS PAID**
  - **30 MINUTE LUNCH BREAK IS UNPAID**
  - **STAGGERED BATHROOM BREAKS ARE PAID**

11. What garments/equipment are used by employees?

- ✓ **BUMP CAP**
- ✓ **HAIR NET**
- ✓ **SMOCK**
- ✓ **BOOTS**
- ✓ **EAR PLUGS**

SELECTED POSITIONS MAY ALSO INCLUDE ONE OR MORE OF THE FOLLOWING ITEMS OF PROTECTIVE EQUIPMENT:

- ✓ **BEARD NET**
- ✓ **COTTON GLOVES**
- ✓ **RUBBER GLOVES**
- ✓ **CUT RESISTANT GLOVES**
- ✓ **APRON**
- ✓ **ARM GUARDS**
- ✓ **OTHER REPLACEMENT ITEMS SUCH AS COLD WEATHER BOOTS OR INSULATED OVERPANTS OR JACKET**

- Are these garments/equipment required by the company?

**YES**

- Who pays for these garments/equipment (employees or the company)?

**COMPANY PAYS FOR THE INITIAL ISSUE. ADDITIONAL  
HAIRNETS AND BEARD NETS ARE SUPPLIED TO  
EMPLOYEES AT COMPANY COST EACH WEEK.**

- What is the cost to the company for these garments/equipment?

**SEE COST LIST**

- How much are employees charged for these items?

**BELOW COMPANY COST, SEE COST LIST COMPARISON,  
THROUGH PAYROLL DEDUCTION**

12. Where and when are supplies/equipment distributed to employees?

- Supply room or elsewhere?

**HOURS ARE FROM 4:45 AM TO 2:00 AM. SUPPLY ROOM IS  
ACCESSIBLE 24 HOURS TO SANITATION EMPLOYEES BY  
KEY ENTRY.**

13. Is any housing provided to employees by the company?

NO

- Describe fully.
- Is rent paid by payroll deduction?

14. Is any transportation provided for employees by the company?

NO

- Describe fully
- Is cost of transportation charged to employees (payroll deduction)?
- Describe insurance coverage maintained on such vehicles used for employee transportation.
- Who drives the vehicle, and are they paid for the driving activities?

15. Where/how does the plant recruit new employees?

**AT SELECTED EMPLOYMENT SECURITY OFFICES AND/OR  
IN THE HUMAN RESOURCES DEPARTMENT AT THE  
PROCESSING PLANT IN LUMBER BRIDGE, NC.  
OCCASIONALLY AT LOCAL JOB FAIRS.**

- Local recruitment and/or remote recruitment

**LOCAL ONLY**

- Radio/ TV/newspaper/others

**RADIO - YES, IN FAYETTEVILLE AREA**

**NO TELEVISION ADS**

**NEWSPAPER ADVERTISEMENTS IN FAYETTEVILLE  
OBSERVER, RED SPRINGS CITIZEN AND LUMBERTON  
ROBESONIAN.**

16. Are any meals provided to employees?

- Describe fully.

**EMPLOYEES ARE PROVIDED A FREE LUNCH FOR ANY  
SATURDAY WORKED.**

17. Describe the benefits provided to employees.

**SEE BENEFITS INSERT**

18. Describe any bonuses paid to employees.

**NO BONUSES PAID**

- Are these bonuses figured into the "regular rate" when calculating overtime payments?

**N/A**

19. Who conducts the "orientation" for new employees?

**HUMAN RESOURCES – TRAINING DEPARTMENT &  
BENEFITS**

20. How many contract growers are used to raise chickens for this facility?

**220**

21. How many live haul/catching crews do you have?

**SIX**

- How many are company employees crews?

**NONE**

- How many are contract crews?

**SIX**

- How many employees per crew?

**UNKNOWN**

22. How is the pay calculated for employees on the catching crew (hourly rate/per thousand)?

**UNKNOWN**

- Are they paid in cash or by check?
- Are payroll records kept and "withholding" deducted from their pay?
- Are the hours of work recorded? By whom?

23. Does the contract consider the catching crew members to be his "employees" or does the contractor consider the catching crew to be "independent contractors"?

**UNKNOWN**

24. What day is payday for company employees?

**FRIDAY -- EXCEPT DAY BEFORE IF IT IS HOLIDAY**

**THURSDAY EVENING -- FOR 2<sup>ND</sup> SHIFT EMPLOYEES, SO THEY HAVE THE OPPORTUNITY TO CASH CHECKS ON FRIDAY.**

25. How often do you pay contractor for catching chickens (weekly/monthly/etc)?

**WEEKLY**

- What day of the week does the company pay the contractors?

**THURSDAY**

- What day of the week does the contractor pay his catching crewmembers?

**UNKNOWN**

26. (A) How much does the company pay the contractor for catching chickens?  
(B) How much does the contractor pay the catching crew members for catching chickens?

**UNKNOWN**

27. Who determines the rate paid for harvesting the chicken?

**THE COMPANY AFTER NEGOTIATION WITH THE  
CONTRACT CREWS**

- When was the last increase? **APPROXIMATELY 1 1/2 YEARS AGO**
- Was the rate negotiated with the contractor? **YES**
- How was the rate determined and by whom? **MUTUAL AGREEMENT  
BETWEEN COMPANY AND CONTRACTOR**

28. What equipment/supplies (if any) does the company provide to contract chicken catching crew? (I.e. trucks, cages, forklift, screens, fans etc.)

**COMPANY OWNED TRUCKS AND COMPANY DRIVERS,  
COMPANY FORKLIFT AND FORKLIFT DRIVERS, AND  
COMPANY FIRE FANS. THE COMPANY DOES NOT SUPPLY  
ANY SCREENS, PENS, OR ANY OTHER SUPPLIES.**

- Is the contractor charged for these items?

**N/A**

29. Are any company employee (such as live haul managers etc.) present on the farm when the catching crews are harvesting chickens?

**AT VARIOUS TIMES.**

- Who/when/under what circumstances?

**LIVE HAUL MANAGEMENT MAY BE PRESENT ON THE  
FARMS AT VARIOUS TIMES TO CHECK WITH ROWERS,**

**CHECK ON SCHEDULES, FORK LIFT DRIVERS, EQUIPMENT  
STATUS AND CONDITIONS IN THE LOAD OUT AREA.**

30. Are there any family members on the catching crews?

**UNKNOWN**

- Related to contractor?
- Related to each other?

31. Do all members of the contract catching crew reside locally and have a permanent address?

**UNKNOWN**

32. Does the catching crew contractor also perform catching services for any other poultry companies?

**UNKNOWN**

33. Do you (the processor) utilize the services of more than one contract catching crew?

**YES.**

34. What types of deductions are made from the pay checks of employees?

- Describe fully.
- Are employees notified in advance that these deductions will be made?

**YES**

- Do employees authorize deductions in writing?



**YES, EXCEPT FOR COURT MANDATED GARNISHMENTS  
OR CHILD SUPPORT PAYMENTS.**

35. What is the minimum rate paid to plant employees? Starting rate?

**\$6.50 - FIRST SHIFT**

**\$6.75 - SECOND SHIFT**

36. How many immigrant/Hispanic employees in the plant?

**834 SPANISH SPEAKING EMPLOYEES  
APPROXIMATELY 60 - 65%**

**40% AFRICAN AMERICAN, AMERICAN INDIAN, EAST  
INDIAN, CAUCASIAN**

- Are there any H2-B employees? If so, describe fully.

**NO**

37. What equipment must employee put prior to working

**BOOTS, HAIRNET, HARDHAT, EARPLUGS, AND SAFETY  
GLASSES (IF NOT WEARING PRESCRIPTION GLASSES).**

- Donning/doffing time – how long?

**20 TO 35 SECONDS ON AVERAGE FOR DONNING ALL EQUIPMENT**

- Where do employee change clothes and/or don equipment?

**MOST EMPLOYEES CHANGE IN LOCKER ROOM AREA.**

- Are employees paid for donning/doffing time?

**NO**

38. Who is the youngest employee in the plant?

**NAME - SAHRILEE GOMEZ; NIGHT SHIFT THIGH DEBONE DEPARTMENT**

- Does the company have any minimum age restriction for hiring?

**YES - MUST BE 18 YEARS OF AGE.**

39. Who at the facility drives company vehicles? (truck driver, etc.)

- Describe fully.

**✓ LIVE HAUL DRIVERS, FEED HAUL DRIVERS, DRESS HAUL DRIVERS**

- How paid?

- ✓ Live HAUL - BY LOAD AND MILE
- ✓ DRESS HAUL - BY LOAD AND MILE
- ✓ JOCKEY DRIVERS - HOURLY WAGE

- Interstate travel? (motor carrier exception)

- ✓ LIVE HAUL - YES
- ✓ DRESS HAUL - YES
- ✓ FEED HAUL DRIVERS - YES

TAB 12



110031ER STREET  
PO BOX 710  
SELBYVILLE, DE 19975-0710  
(302) 436-8241

**FARM TICKET**

Garrison  
Ex #1  
Paw: hubs

DATE \_\_\_\_\_

LOT # \_\_\_\_\_

LOAD # \_\_\_\_\_

GROWER \_\_\_\_\_  
HOUSES \_\_\_\_\_  
TIME STARTED \_\_\_\_\_ TIME FINISHED \_\_\_\_\_ TEMP. \_\_\_\_\_  
TRUCK \_\_\_\_\_ TRAILER \_\_\_\_\_ DRIVER \_\_\_\_\_  
NO. OF DOORS \_\_\_\_\_ X PER DOOR \_\_\_\_\_  
\_\_\_\_\_ X PER DOOR \_\_\_\_\_  
\_\_\_\_\_ X PER DOOR \_\_\_\_\_  
TOTAL \_\_\_\_\_ AVG. WT. \_\_\_\_\_

	YES	NO		ACCEPT	UNACCEPT
SIGN PRESENT?	<input type="checkbox"/>	<input type="checkbox"/>	DRIVE ENTRANCE	<input type="checkbox"/>	<input type="checkbox"/>
GROWER PRESENT?	<input type="checkbox"/>	<input type="checkbox"/>	HOUSE ENTRANCES	<input type="checkbox"/>	<input type="checkbox"/>
DAT'S PRIOR TO CATCH?	<input type="checkbox"/>	<input type="checkbox"/>	ROADS/LOADING AREA	<input type="checkbox"/>	<input type="checkbox"/>
FIRE FAN USED?	<input type="checkbox"/>	<input type="checkbox"/>	(EXPLAIN) _____		
CHICKENS WATERED?	<input type="checkbox"/>	<input type="checkbox"/>	_____		
FEEDERS UP?	<input type="checkbox"/>	<input type="checkbox"/>	_____		
WATERS UP?	<input type="checkbox"/>	<input type="checkbox"/>	LITTER CONDITION	<input type="checkbox"/>	<input type="checkbox"/>
STOVES UP?	<input type="checkbox"/>	<input type="checkbox"/>	(EXPLAIN) _____		
FARM DAMAGE?	<input type="checkbox"/>	<input type="checkbox"/>	_____		

BIRDS CONDITION      GOOD      FAIR      POOR  
☐      ☐      ☐

CREW LEADER SIGNATURE: \_\_\_\_\_

WHITE - OFFICE COPY      CANARY - LIVE HAUL COPY      PINK - OFFICE COPY

B0114

TAB 13

## MOUNTAIRE LIVE HAUL GUIDELINES

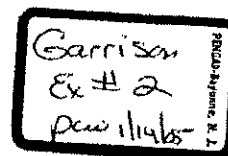
The following information has been gathered from professional literature, experienced crew leaders, and actual observation. This literature will have several parts and is intended to be used as a guideline to establish the most successful live haul program possible. The program will consist of every integral part of the live hauling process.

### I. GROWER'S RESPONSIBILITIES.

- A. Cull birds during the growing period, and ventilate for good litter condition, and pay close attention to water management, thereby preventing catching delays because of wet floors.
- B. Pick up all dead birds immediately prior to catching crew's arrival.
- C. Raise and secure all equipment to the maximum height at the proper time.
- D. Provide a smooth, hard entrance at each end of the poultry houses. Cement pads are the best solution.
- E. Provide level, hard roads, and loading areas at both ends of the houses, if at all possible.
- F. Cake out wet spots that will hinder forklift travel or the catching procedure.
- G. Report all live haul problems or damage within 48 hours after removal of the birds to your flock supervisor and/or Karen Bailey.

### II. CREW LEADERS GENERAL DUTIES.

- A. Arrive on the farm at the correct time.
- B. Divide the house into a minimum of 4 equal sections immediately before the catching process starts. These sections can be divided into smaller sections as you work down the house with catch curtains.
- C. Instruct catchers on the exact number of birds to be placed in each cage compartment. (14, 16, 18, 21, etc.)
- D. Catch all birds in place at night and never move birds into less than 70% of the normal floor space. In walk-out houses never use less than 50% of the available floor space.



- E. Continually observe the uncaught birds and prevent any smothers.
- F. Make sure cages are air stacked uniformly on the trailer.
- G. During the summer make sure all fans are left hanging until all birds have been caught from that area. Fans that are taken down should be placed on the floor and stabilized. These fans should be blowing in the same direction as the hanging fans.
- H. Don't load more than the specified number per door without permission.
- I. Fill out every farm ticket accurately and send every ticket with the driver.
- J. Check with the driver that the load is secure and send the load back to the plant immediately.

### III. CATCHING METHODS - THIS SECTION WILL DESCRIBE THE DIFFERENT CATCHING METHODS.

#### A. NIGHT CATCHING

- 1. Drive - In's - Birds should be caught in place as much as possible. If any moving of birds is required, no less than 70% of the available floor space should be used. Keep the house as dark as possible to reduce bird movement.
- 2. Walk - Out's - Birds can be moved to the front of the house, closer to the doors, but never less than 50% of the normal floor space.

#### B. DAY CATCHING

##### 1. Drive - In's or A Frame Houses

- a. Houses should be caught inside on both sides of the house.
- b. The firefan should be placed at the opposite end of the house exhausting air and the house should be closed up to create a wind tunnel.
- c. The house should be divided into a minimum of 4 large pens with the catch curtains. One curtain must be placed 6-8 feet from the far end to prevent the birds from piling against the end wall. These large pens should be divided into smaller pens as you work down the house.
- d. When working both sides of the houses, the pens should contain approximately 1 cage of birds.



- e. Fans that are taken down should be placed and supported on the floor. These fans should be used to assist the firefan and existing fans. **ALL FANS SHOULD BLOW IN THE SAME DIRECTION!**
  - f. Birds should be driven as little as possible to eliminate stress and potential death.
  - g. The loaded birds should be wet thoroughly with the high pressure pump provided, when the outside temperature is 80° or above.
  - h. Make sure the driver leaves the farm immediately and makes no stops.
2. Walk-Outs or Shed Houses.
- a. In this type of house the birds will have to be removed through the doors.
  - b. Leave all fans hanging.
  - c. Pen the birds to the front of the house making pens as small as possible.
  - d. Firefan may blow on the cages and into the house when catching walk-outs.
  - e. Wet birds as they are loaded on the truck when the temperature outside is 80° or higher.
  - f. Secure the load with the driver and send it in immediately.

#### IV. TUNNEL VENTILATION

- A. All houses up to 16,000 sq. ft. should be tunneled when temperatures exceed 75° . To determine the square footage, multiply the inside width x inside length.
- B. Tunneling should be accomplished by placing the firefan at one end of the house, exhausting air. There should be a minimum amount of curtain open.

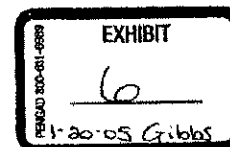
- C. In Houses that exceed 16,000 sq. ft. (500 foot houses) the fan should be used inside blowing behind and across the catchers and chickens. The fan should be moved down the house as you go. The grower fans should always be used to assist and **ALL FANS BLOWING IN THE SAME DIRECTION.**
- D. In tunnel ventilated houses the growers tunnel fans should be used and at least  $\frac{1}{2}$  the house should be caught. If you change ends the firefan should be brought inside about 25 feet in front of the cool pads and blowing towards the growers tunnel fans.

TAB 14

## FINAL WARNING

You are being notified that if it is found that you worked your crew longer than 6 ½ hours without taking lunch, your employment will be terminated immediately upon Mountaire's awareness of the incident. No further excuses will be accepted. Once your crew has reached 6 ½ hours of work and they have not stopped for lunch they must stop for 30 continuous minutes for lunch. This procedure was explained to all crew leaders by David Nuse and Al Z. Your signature below means you fully understand the policy and not following the policy will be a willful and wanton disregard of the rules and you will be terminated without further warnings.

Al. St. Laurent 3/2/04  
 David Nuse 3/2/04  
 Larry E. Gibbs Jr. 3-2-04



TAB 15

FEB-15-2005 09:48 AM MOUNTAIRE FARMS SELBY

302 436 9309

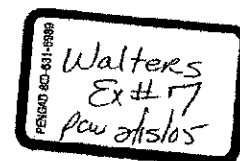
P. 51

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*Phil O* 3/15/05  
*David Nuse* 3/15/05  
*Al Walters* 3/15/05

Post-It® Fax Note		75/1	On 3/15/05	# of pages 1
To	Phil O	From	Dobpu	
Co./Dept.		Co.		
Phone #		Phone #		
Fax #	856-9338	Fax #		



B0120

TAB 16

AGREEMENT

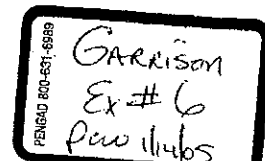
Between

MOUNTAIRE OF DELMARVA, INC.  
SELBYVILLE, DELAWARE.

and

INTERNATIONAL BROTHERHOOD OF TEAMSTERS,  
LOCAL 355

Effective December 16, 2001 - December 18, 2004





INDEX

Article 1	
PURPOSE.....	1
Article 2	
RECOGNITION .....	1
Article 3	
UNION SECURITY AND CHECK-OFF .....	2
Article 4	
WAGES .....	3
Article 5	
HOURS OF WORK .....	3
Article 6	
VACATIONS.....	5
Article 7	
HOLIDAYS .....	6
Article 8	
SENIORITY.....	7
Article 9	
DISCHARGE.....	8
Article 10	
GRIEVANCE PROCEDURE .....	9
Article 11	
NO STRIKE, NO LOCKOUT, PICKET LINES .....	10
Article 12	
HEALTH & WELFARE BENEFITS .....	10
Article 13	
GENERAL CONDITIONS.....	11
Article 14	
NO DISCRIMINATION.....	12

Article 15	
PROFIT-SHARING PLAN .....	13
Article 16	
ON THE JOB INJURY .....	13
Article 17	
FUNERAL LEAVE PAY .....	13
Article 18	
JURY DUTY .....	13
Article 19	
MANAGEMENT'S RIGHTS .....	14
Article 20	
SEPARABILITY CLAUSE .....	14
Article 21	
UNION ACCESS .....	14
Article 22	
CREDIT UNION .....	15
Article 23	
TERM OF AGREEMENT .....	15
SCHEDULE A	
SCHEDULE B	
SCHEDULE C – BENEFITS	
SIDE LETTER OF AGREEMENT	

THIS AGREEMENT effective the 16th day of December, 2001, by and between MOUNTAIRE OF DELMARVA, INC., herein referred to as the "EMPLOYER", and INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL UNION NO. 355, Salisbury, Maryland, herein referred to as the "UNION" for and on behalf of the Employees now employed or who may hereafter be employed by said Employer.

That, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

**Article 1**  
**PURPOSE**

The purpose of this Agreement is to promote and insure harmonious relations and cooperation and understanding between the Employer and the Employees, to encourage economy and efficiency of operation and maintenance of high standards of product quality and to provide a mutual understanding as to wages and hours and working conditions affecting the employees covered by this Agreement.

**Article 2**  
**RECOGNITION**

The Employer recognizes the Union as the sole bargaining agency in the matter of wages, hours of work, and other conditions of employment, in the bargaining unit consisting of all regular employees now employed or who may be employed by the Employer at its poultry processing plant on the Delmarva Peninsula, in the classifications set forth as follows:

1. Live Haul Department
  - (a) Truck Driver
  - (b) Fork Lift Driver
  - (c) Catcher
2. Live Receiving Department
  - (a) Jockey Truck Driver
  - (b) Fork Lift Driver
  - (c) Cage Dumper
3. Packing Department
  - (a) Packer
  - (b) Floor Person
  - (c) Scaler
  - (d) Lid and Ice
  - (e) Wing Tag
  - (f) Ice House Shoveler

4. Box Room Department  
(a) Box Maker
5. Cooler and Shipping Department  
(a) Loader  
(b) Jockey Truck Driver  
(c) Cooler Stacker
6. Night Sanitation Department  
(a) Cleaner
7. Giblet Department  
(a) Wrapper  
(b) Floor Person  
(c) Packer  
(d) Scaler  
(e) Stuffer
8. Paws Department  
(a) Grader  
(b) Packer  
(c) Scaler  
(d) Cooler Stacker
9. Wet Cooler Department
10. Dry Cooler Department

A new employee will become a regular employee after ninety (90) calendar days after the date of hire.

### Article 3 UNION SECURITY AND CHECK-OFF

1. It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the executed date of this Agreement shall remain members in good standing, and those who are not members on the executed date of this Agreement shall, on or after the thirty-first day following the beginning of such employment become, and remain members in good standing in the Union.

2. The Employer shall deduct periodic dues and initiation fees uniformly required as a condition of membership in the Union, and regularly authorized assessments, from the first pay

of each month from the wages of each employee covered by this Agreement who has filed with the Employer a written assignment authorizing such deductions, which assignment shall not be irrevocable for a period of more than one year or beyond the termination date of this Agreement, whichever occurs sooner. Such dues, initiation fees and assessments shall be forwarded to the Union within fifteen (15) days. The Union will send the Employer a letter by certified mail notifying the Employer of any change in the amount of dues, initiation fees or assessments and the effective date hereof. Sums deducted by the Employer as Union dues, initiation fees and assessments shall be kept separate and apart from the general funds of the Employer and shall be deemed trust funds.

3. The Union shall indemnify and hold the Company harmless from any and all claims, demands, suits or other forms of liability which shall arise out of or by reason of action taken by the Company in compliance with the provisions of Section 1 and 2 of this Article.

#### **Article 4 WAGES**

1. General wage rates, wage increases and classifications are set forth in Schedules A and B attached to this Agreement.

2. Whenever any employee covered by this Agreement is receiving a higher rate than the minimum rate provided for at the time of the signing of this Agreement, such differential shall continue for the term of this Agreement.

3. The Company will pay a premium of five (5¢) cents per hour for work performed on an afternoon shift, which is defined as a shift beginning after 12:00 Noon and before 7:00 p.m. The Company will pay a premium of ten (10¢) cents per hour for work performed on a night shift, which is defined as any shift that begins after 7:00 p.m.

#### **Article 5 HOURS OF WORK**

1. The regular workweek for all employees covered by this Agreement, excluding over-the-road drivers, shall consist of forty (40) hours. This shall not be construed as a guarantee of forty hours per week in any given week.

2. For all hours worked in excess of forty (40) hours in any one week, the employee shall be paid at one and one-half (1-1/2) times his regular rate of pay.

3. In the event that the employer processes poultry on Saturday and/or Sunday, all employees who are called into work shall be paid at the rate of time and one-half (1-1/2) for all hours worked subject to the provisions set forth below.

(a) Night shift work beginning at or after 9:00 p.m. on Sunday night shall be considered part of the regular work week and shall be paid for at straight time rates.

(b) Overtime will be paid on Saturday if the employees who worked for purposes of processing poultry were available to work during the regularly scheduled work week unless they present the Company with a doctor's note stating the reason for their absence due to illness.

(c) The Company may process poultry on three separate Saturdays in each year of the Agreement and pay the employees their regular straight time hourly rate provided, however, that the employees have not worked in excess of forty (40) hours during that week. This subsection (c) shall be applicable when the Company is unable to process poultry during a regularly scheduled work day for reasons of maintenance, snow days, acts of God, machine breakdown, etc.

4. Employees who report for work at their scheduled starting time shall be guaranteed a minimum of four (4) hours for that day or pay in lieu thereof, except that where work is unavailable because of circumstances beyond the Employer's control, e.g., storm, flood, fire, incoming power failure, the guarantee shall be only two (2) hours pay in lieu of work.

5. All employees shall receive not less than one-half (1/2) hour and not more than one (1) hour each day for lunch period. Said lunch period shall be as near noon as possible and not earlier than three (3) hours after the Employer's starting time.

6. It is understood and agreed that the Company shall have the right during the life of this Agreement to schedule a paid ten minute break in the morning on a rotating basis commencing no sooner than one and three-quarter hours after the start of the regularly scheduled shift which is to be completed no later than three and one-quarter hours after the start of the regularly scheduled shift. In the event the employer is required to process poultry more than eight and one-quarter hours in a day then, the employees will be entitled to a second paid ten minute break on a rotating basis which will commence one and one-quarter hours after employees return from lunch to be completed no later than two and three-quarter hours after the employees return from lunch. If the employer processes poultry beyond eight and one-quarter hours and the employees have not received an afternoon break, then the employees shall receive pay for the missed break.

7. Employees shall be paid at their regular hourly rate of pay for breakdown time and waiting time spent during the regular work day.

8. Where an employee receives pay for time not actually worked, such time shall not be counted as hours actually worked for the purpose of computing weekly overtime.



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**Article 6**  
**VACATIONS**

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1. Vacations with pay shall be granted to all regular employees in the Employer's employ, as follows:

- a. One (1) to three (3) years service - one (1) week vacation.
- b. Four (4) to nine (9) years service - two (2) weeks vacation
- c. Ten (10) to nineteen (19) years service - three (3) weeks vacation.
- d. Twenty (20) to twenty-four (24) years service - four weeks (4) vacation.
- e. Twenty-five (25) years service or more - five (5) weeks vacation.

2. Any employee who received forty-five (45) pay checks during the previous vacation year shall be eligible for paid vacations as set forth in paragraph 1 above. Time off for sickness or accident, not to exceed four (4) weeks, shall be considered time worked in computing employees' eligibility for vacation pay provided that the employee can furnish a doctor's certificate as proof of sickness or accident.

3. Vacations shall be paid as follows:

- a. One (1) weeks vacation - forty (40) hours straight time rate of pay.
- b. Two (2) weeks vacation - eighty (80) hours straight time rate of pay.
- c. Three (3) weeks vacation - one hundred twenty (120) hours straight time rate of pay.
- d. Four (4) weeks vacation - one hundred sixty (160) hours straight time rate of pay.
- e. Five (5) weeks vacation - two hundred (200) hours straight time rate of pay.

4. Vacation may be taken in one day increments at a time mutually agreeable to the employer and the employee.

**Article 7  
HOLIDAYS**

1. The parties recognize the following as paid holidays for no work performed:

New Year's Day	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	Personal Holiday*
Labor Day	Personal Day

\* The Personal Holiday shall only be applicable to employees who have been in the Company's employ for one (1) year or more. In order to be eligible to receive the ~~Personal Day~~ <sup>1 week</sup> and the Personal Holiday, the employee must advise his or her supervisor ~~two weeks~~ before he or she intends to use the Personal Day or the Personal Holiday. The Employer agrees to make its best effort to grant the Personal Day and the Personal Holiday when requested but, it is understood and agreed, that the Company retains the right to change the ~~Personal Day and/or the~~ <sup>3 days</sup> Personal Holiday due to the needs of business up to ~~one week~~ before the employee is scheduled off. In the event the requested Personal Day and/or Personal Holiday is denied, the Company and the employee shall attempt to select another mutually acceptable date. The Personal Day and/or the Personal Holiday may not be carried over to the next anniversary year of employment.

2. Any employee who has been employed for at least ninety (90) calendar days prior to any one of these holidays specified, including the Personal Day, provided that the employee works the scheduled hours as ordered by the Employer both on the last work day before and on the first work day following the holiday in question, shall be paid eight (8) hours pay at his or her straight time hourly wage rate for such holiday for no work performed. An employee will not lose holiday pay if he is absent because of jury service, funeral leave or other mutually agreed upon absence. If the employee is absent because of funeral leave, he shall not be paid twice.

3. Sundays and holidays shall be the period between 12:01 a.m. and 12:00 midnight.

4. Any employee may be required to work on any of the holidays specified, except Christmas and Thanksgiving and one other paid holiday selected by the Employer, in which event he shall receive as his total holiday pay time and one-half for all hours worked plus eight (8) hours holiday pay. The Company will designate the holiday that employees will not be required to work by November 1 of each year for the following year.

5. When a holiday falls on a Sunday, the day designated by the Federal Government shall be considered the holiday for the purpose of this Agreement.

6. When a holiday occurs while an employee is on a paid vacation, the employee shall receive an additional day's vacation with pay. The additional day shall be taken on the last scheduled work day prior to, or the first scheduled work day immediately following, the



employee's vacation. The extra day off with pay to be taken by the employee must be arranged between the employee and his or her supervisor prior to the beginning of the vacation period.

7. Hours actually worked on a holiday shall be added to the hours worked that week for the purpose of computing overtime.

#### **Article 8 SENIORITY**

1. Each Local Union shall designate one Chief Steward if necessary, and there shall be one or more stewards in each department, whose job it shall be to assist in the adjustment of grievances. Their duties as steward shall in no way conflict with their duties for the Employer.

2. The stewards shall be given permission by their foremen to leave their jobs when necessary for the specific purpose of handling grievances, provided production is not affected thereby.

3. In all cases of layoff or rehiring, seniority will be the determining factor, with consideration being given to the employee's qualifications.

4. It is understood that seniority shall be plant-wide except for purposes of job bidding as set forth in Section 11 of this Article for positions which are within the jurisdiction of the Union as specified in Article 2 and for purposes of overtime work. For job bidding purposes, the Company will post jobs within the jurisdiction of the Union among the employees represented by the Union before those jobs are posted on a plant-wide basis for all employees.

The Company agrees to use bargaining unit seniority for employees covered by this Agreement for purposes of overtime work when employees covered by this Agreement are present at the plant, are available to perform the required work and are qualified to perform the available work. An employee will be considered available for work when he is not actually performing any work in the plant, when he is not awaiting an assignment to perform any work in the plant or he is not waiting to begin work in the plant. An employee will be considered qualified if he has previously performed the job at the Company in a satisfactory manner.

All past practices with respect to the use of employees represented by Local 27, UFCW, to perform work within the jurisdiction of the Union and vice versa shall continue and not be considered a violation of this Agreement.

5. The Employer will supply the Union and the Shop Steward, upon request, with a seniority list and a list of all additions to or deductions from the seniority list.

6. Beginners shall obtain seniority after ninety (90) days of continuous service. In case of layoffs, the Employer shall lay off such beginners before putting into effect the seniority

policy, as stated above. Beginners, after having fulfilled ninety (90) days continuous service, shall date their seniority from the date they were first employed. The Employer may lay off or discharge any beginner during his trial period and such layoffs or discharge shall not be subject to arbitration.

7. An employee shall be continued on the seniority list of the Employer for a period of twelve (12) months from the date of his layoff.

8. All Shop Stewards shall have top ranking seniority (during the term of their office) irrespective of actual length of service for purposes of layoff and recall only, provided they are able to do the work required.

9. Any employee selected or appointed as an official of the Union or delegate to any labor activity, necessitating a leave of absence, shall be granted a leave of absence without pay and be re-employed at the end of such period, with the same seniority as though he had been continuously employed. The maximum duration of any leave approved under this section shall be one year.

10. The Employer will give consideration in cases of promotions to employees with most seniority provided such employee is qualified for such promotion. Any Employee promoted to a higher rated job shall be given a fair trial for a period, not to exceed thirty (30) days at the increased rate of compensation paid to the regular employees on the job in question, but, if it shall, at the end of such trial period, be decided by the Employer that such employee is not qualified or adapted to the new position, or if the employee desires, he shall be returned to his old position at the same rate of pay which was formerly paid for the old position. The Shop Steward and the Union office shall receive notice in writing on all such promotions or demotions within twenty-four (24) hours after such action takes place.

11. When job vacancies occur, they shall be posted on the bulletin board for three (3) working days and the Shop Steward shall be notified.

12. Employees transferred to positions not included within the bargaining units represented by the Union or U.F.C.W. Local 27, shall continue to accumulate seniority and may return to their former or comparable positions for one hundred twenty (120) days. During that period, employees may return to their former or comparable positions or to lower positions based on their seniority provided they have the present skill and ability to do the work. Seniority shall be lost after the expiration of this one hundred twenty (120) day period.

#### **Article 9 DISCHARGE**

1. In all cases involving the discharge of any employee, the Employer must immediately notify the discharged employee in writing of his discharge and the reason therefor.

2. Any employee discharged must be paid in full for all wages owed him by the employer on the next regularly scheduled pay period.

3. In the event the Union desires to protest the justification of such discharge, such protest shall be filed in writing with the Employer within five (5) working days from date of receipt of the notice of discharge.

4. No regular employee who has completed his trial period shall be discharged except for just cause as defined in Company policies. If the employer and the Union cannot agree that the discharge was for just cause, the same may be submitted to the Arbitrator as herein provided. If the Arbitrator finds that the employee was discharged without just cause, he shall order the reinstatement of the Employee and may require payment of back pay in such amounts as in his judgment the circumstances warrant.

5. This article shall not apply to an Employee during his trial period.

#### **Article 10 GRIEVANCE PROCEDURE**

1. Any complaint, grievance or dispute arising out of the interpretation, application or performance of the provisions of this Agreement shall, in the first instance, be taken up with the aggrieved employee or employees, who shall first take the matter up with the Shop Steward, who, in turn, will take the grievance up with the foreman in charge. Employees may have the Shop Steward present on any grievance. If not thus settled, the matter shall be taken up for adjustment between a representative of the Union and the Employer and, if they are unable to adjust the same, the matter may be referred for arbitration and determination.

2. The Arbitrator is to be selected by the American Arbitration Association.

3. Complaints regarding the unjust discharge of any Employee will be handled promptly according to the grievance procedure herein provided. Such complaints must be filed within five (5) working days of discharge and must be made in writing. The Management must review and render a decision on the case within five (5) working days after receipt of same.

4. The Arbitrator shall not be empowered to add to, subtract from, modify, or otherwise alter the provisions of this Agreement.

5. The decision of an Arbitrator on any matter which shall have been submitted in accordance with the provisions of this Agreement shall be final and binding upon the Employer, the Union and the Employees, and the decision of the Union not to proceed to arbitration shall also be binding upon the Employees.



6. At any step in this grievance procedure, the Executive Board of the Union shall have the final authority in respect to any aggrieved employee covered by this Agreement to decline to process a grievance, complaint, difficulty or dispute; further, if it is the judgment of the Executive Board that such grievance or dispute lacks justification under the terms of this Agreement, or has been adjusted or justified under the terms of this Agreement to the satisfaction of the Union Executive Board, such judgment shall be binding upon the employees.

#### **Article 11**

#### **NO STRIKE, NO LOCKOUT, PICKET LINES**

The primary picket lines at the Employer's place of business shall be restricted to Teamsters Local Union No. 355 picket lines established due to a work stoppage resulting from failure to reach agreement on a successor Agreement or new Agreement.

In view of the provisions for final and binding arbitration of grievances arising under this Agreement, the Union agrees that during the term of this Agreement, there shall be no strike, sympathy strike at the Employer's premises, picketing, consumer boycotts, work stoppage, slow downs, or other interference with business, and the Employer agrees that there shall be no lock out of employees during the term of the Agreement.

The Union agrees to cooperate in combating wildcat or unauthorized strikes by employees during the term of this Agreement and the Employer has the right to discharge or otherwise discipline any employee who instigates or participates in a wildcat strike.

#### **Article 12**

#### **HEALTH & WELFARE BENEFITS**

1. Effective June 1, 2002, the Company agrees to provide a benefit package comparable to that outlined in the Eastern Shore Teamsters Health and Welfare Fund (Plan 1-A, Plan 1-B, Plan 1 and Plan 2), as described in the Summary Plan descriptions dated April 1, 1994 (Plan 1-A and Plan 1-B), October 1, 1996 (Plan 2), January 1, 1998 (Plan 1) as described with amendments as outlined in Schedule C, Schedule of Benefits. Employees shall not be required to contribute to the premium cost of their benefits during the term of this Agreement.

2. It is understood and agreed that the Company may change insurance carriers and/or third party administrators during the term of this Agreement, provided that a comparable level of benefits is maintained.

3. Any questions which may arise regarding benefit and/or eligibility coverages shall be resolved through the appeal process set forth in the Summary Plan description. Employees shall have all the rights and protections provided by ERISA. The Grievance and Arbitration Provisions of this Agreement shall not be utilized for determining benefit and/or eligibility coverage issues.

4. It is understood and agreed that the Company may improve benefit and/or eligibility coverages during the term of this Agreement without cost to the employee. The Company agrees to notify the Union if benefit and/or eligibility coverages are improved.

### Article 13 GENERAL CONDITIONS

1. Leaves of Absence without pay may be granted by the Employer for good and sufficient reasons; such leaves, except those granted for service in the Armed Forces, may not exceed twelve (12) months without a break in continuity of service.
2. No Employee shall receive a reduction of wages by reason of making this Agreement.
3. The Employer shall provide, without cost to the Employee, when they are necessary, work garments, gloves, and tools needed to do their job properly.
4. The Company and the Union agree that high standards of sanitation and employees' health should be maintained in accordance with federal and state regulations. The Union agrees to recognize and respect such employer policies and procedures existing now or later created in this regard, including smoking in the plant, eating in the plant, required medical examinations before employment, after illness and annually, and clean working apparel and personal cleanliness.
5. The Employer agrees to provide for the Employees toilet facilities, wash stands with hot and cold water, proper heat or ventilation as the season of the year demands, locker or cloak rooms, and suitably equipped first aid kits.
6. The Employer may continue and from time to time may change such rules and regulations as it may deem necessary and proper for the conduct of its business, provided the same shall not be inconsistent with any of the provisions of this Agreement. All such rules and regulations shall be observed by the employees. The Company will notify the Union of major changes to employee terms of employment. ↓
7. The Employer shall provide a suitable bulletin board to be used exclusively by the Union for the posting of notices, bulletins and other important Union matters. The Company and the Union agree that no posting or leafleting shall contain any material that adversely reflects upon the Employer, supervisors, employees, union or customers.
8. It is understood that an employee may not refuse to work overtime when requested to do so. The Employer shall cooperate with an employee who is faced with a legitimate

emergency and shall excuse him from working overtime if another employee may reasonably be obtained as a replacement.

9. This Agreement cannot be modified except by mutual consent of both parties, in which case such changes shall be posted as notification to all concerned.

10. The Employer agrees to make payroll deductions for any employee who wants to participate in the Union's credit union program, provided the employee executes a valid authorization form to that effect. The Employer will not be required to check off payments to both the Union's credit union and the Christmas Club.

11. The Employer will provide to the Union, on a regular basis, notice of employee discharges, terminations, leaves of absences and permanent transfers between this bargaining unit and the unit represented by U.F.C.W. Local 27.

12. The Company affirms its intention of complying with the provisions of the Occupational Safety and Health Act, and the Union agrees that it will support management in its efforts at compliance and general improvement of safety conditions and will participate in regularly scheduled safety committee meetings.

13. The use of male nouns and pronouns in this Agreement shall be interpreted to include female nouns and pronouns.

14. The Company will comply with the provisions of the Family and Medical Leave Act in accordance with its policies and procedures on that subject.

#### **Article 14 NO DISCRIMINATION**

1. The Employer agrees not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, sex, national origin, or age in violation of any Federal or State Law.

2. The Employer agrees that he will refrain from failing or refusing to hire, or discharging, any individual, or otherwise discriminating against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, creed, color, national origin, sex, or age.

3. The Employer further agrees that it will refrain from limiting, segregating, or classifying his employees in any way which would deprive or tend to deprive an individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, creed, color, national origin, sex, or age.



**Article 15  
PROFIT-SHARING PLAN**

A profit-sharing plan, covering the employees represented by the Union and by Teamsters Local 355 will be established effective March 1, 1990 in accordance with the provisions of the Mountaire of Delmarva profit sharing plan and trust in accordance with the understandings set forth in a side letter to this Agreement dated March 1, 1990.

**Article 16  
ON THE JOB INJURY**

An employee injured while at work in the plant shall be provided with transportation to a physician selected by the Company and thereafter to the hospital, if required. In the event the physician directs that the employee not return to work, the employee shall be compensated up to eight (8) hours lost at his straight time hourly rate. In the event the physician finds that the employee is able to return to work, and the employee does so, the employee shall be paid for such time spent for examination purposes.

**Article 17  
FUNERAL LEAVE PAY**

Up to three (3) days off at straight time pay for time lost up to eight (8) hours per day shall be given employees for attending the funeral of a spouse, son, daughter, mother, father, brother, sister or grandparents. The three (3) days for which the employee is eligible to receive pay are between the day of the death and the day after the funeral, provided that such days off fall on a regular work day on which the employee is scheduled to work. Each employee is required to maintain on file with the employer the names of his or her spouse, children, mother, father, sister, brother, and grandparents to prevent abuse of this benefit. The Company retains the right to demand proof of death and/or proof of relationship.

**Article 18  
JURY DUTY**

When a full-time employee, who has completed his probationary period, is called for service as a juror, he will be paid the difference between the fee he receives for such service and the amount of earnings (at his straight-time hourly rate) lost by him by reason of such service, up to a limit of eight (8) hours per day, forty (40) hours per week, and three weeks in any calendar year, subject to the following provisions:

(a) Employees must present notice of jury duty to their supervisor and Personnel Department within twenty-four (24) hours after receipt of selection for jury duty.

(b) In order to be eligible for such payments the employee must provide the Employer with a statement of the amount received for said jury duty and he will be paid by the Employer for the lost earnings as above provided.

(c) In the event an employee is released from jury service within four hours of the start of his or her regularly scheduled shift, the employee must call the Personnel Department for instructions.

#### **Article 19 MANAGEMENT'S RIGHTS**

The Company has the exclusive right to manage its plant and employees and to direct its affairs and working forces, subject only to such clear and convincing prohibitions governing the exercise of these rights as are expressly and specifically provided in this Agreement.

#### **Article 20 SEPARABILITY CLAUSE**

In the event that any provision of this Agreement shall at any time be declared invalid by any Court or Administrative Agency of competent jurisdiction, the decision shall not invalidate the entire Agreement, it being the express intention of the parties that all other provisions shall remain in full force and effect. The parties agree to meet within thirty (30) days from any final decision of the court or agency to work out a satisfactory solution.

#### **Article 21 UNION ACCESS**

The Union shall notify the Company in writing who the Local 355 representatives are by name and position with the Union. They may enter the plant subject to the following locations and number of representatives. Changes in Union Representatives shall require a three (3) day written notice to the Company. Such visits shall not interfere with the Company's operation. Union officials shall not go into any areas of the plant, except the cafeteria and locker room area without the approval of management.

The Company reserves the right to accompany Union officials into all areas of the plant, except the cafeteria and locker room. If the Union representative requires time with an employee or employees, such time shall take place during the employee's non-working time, in a designated area to be agreed upon by the parties.

Except for the purposes of a Company/Union meeting, the Union shall limit the number of Union representatives in the Company facility to no more than three (3) at any one time, unless management gives permission to the Union to increase this number, with proper notification from the Union.



**Article 22**  
**CREDIT UNION**

The Employer will recognize authorizations for deductions from wages for Local Union No. 355's Maryland Federal Credit Union to the extent allowed by Maryland State law. Such deductions will be made weekly and transmitted to the Credit Union by the Fifteenth (15<sup>th</sup>) of each month.

**Article 23**  
**TERM OF AGREEMENT**

This Agreement shall be in full force and effect from December 16, 2001 up to December 18, 2004. It is understood that either party may open the Agreement to make changes or terminate it by sending sixty (60) days notice prior to December 18, 2004. The Agreement thereafter shall continue from year to year unless written notice be given by one party to the other party of its desire to terminate or make changes in the Agreement, said notice to be given not less than sixty (60) days prior to any such termination of subsequent anniversary date.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2002 by duly authorized representatives of the contracting parties hereto.

FOR THE UNION:

FOR MOUNTAIRE OF DELMARVA, INC.:

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ProLaw #6154

## SCHEDULE A

	12/16/01- 12/14/02	12/15/02- 6/14/03	6/15/03- 12/13/03	12/14/03- 6/12/04	6/13/04- 12/18/04
Employees @ 90 days of employment	\$7.35	\$7.55	\$7.70	\$7.90	\$8.05
Employees @ 6 months of employment	\$7.85	\$8.05	\$8.20	\$8.40	\$8.55
Employees @ 12 months of employment	\$8.35	\$8.55	\$8.70	\$8.90	\$9.05

Truck Jockies - \$0.80 per hour above base rate.

Forklift Operators - \$0.55 per hour above base rate.

All employees will receive their increases beginning on the payroll period immediately following their anniversary dates.

SCHEDULE B

	12/16/01- 12/14/02	12/15/02- 6/14/03	6/15/03- 12/13/03	12/14/03- 6/12/04	6/13/04- 12/18/04
<b>Catchers</b>					
Full Rate	\$2.75	\$2.77	\$2.80	\$2.82	\$2.85
80% (first year) for the duration of the contract					
90% (second year) for the duration of the contract					
<b>Forklift Operators (CDL)</b>					
Full Rate	\$3.20	\$3.25	\$3.30	\$3.35	\$3.40
80% (first year) for the duration of the contract					
90% (second year) for the duration of the contract					
<b>Drivers</b>					
/Load	\$37.50	\$38.00	\$38.50	\$39.00	\$39.50
<b>Holiday and Vacation rate per hour for Live Haul Personnel</b>					
	\$12.15	\$12.33	\$12.51	\$12.70	\$12.89

It is understood and agreed that the Company shall have the right during the life of this Agreement to add a catching function to live haul truck drivers. In the event the Company exercises this option, the Company will pay the live haul drivers on the same basis as the catchers.

## SCHEDULE "C" - BENEFITS

BENEFIT	PLAN 1A	PLAN 1B	PLAN 1	PLAN 2
ELIGIBILITY - 1 <sup>ST</sup> OF THE FOLLOWING MONTH	180 Days	1 year	2 years	2 months
PARTICIPANT ONLY				
DEATH BENEFIT ACCIDENTAL DEATH & DISMEMBERMENT	\$10,000 \$10,000	\$10,000 \$10,000	\$10,000 \$10,000	\$10,000 \$10,000
SHORT TERM DISABILITY				
WEEKLY BENEFIT MAX. 13 WEEKS	\$70	\$105	\$175	175
PARTICIPANT & ELIGIBLE DEPENDENT				
VISION CARE PER PERSON EVERY 2 YEARS	\$65	\$100	\$170	\$170
DENTAL BENEFIT PARTICIPANT	\$1,000 per year	\$1,000 per year	\$1,500 per year	\$1,500 per year
DEPENDENTS	\$1,000 per year	\$1,000 per year	\$1,500 per year	\$1,500 per year
HOSPITAL BENEFIT				
DAILY R&B MAX. 31 DAYS	N/A	\$300	\$400	\$400
INTENSIVE CARE/PER DAY	N/A	\$400	\$500	\$500
ADDITIONAL CHARGES UP TO	N/A	\$3,000	\$4,000	\$4,000
SURGICAL BENEFIT (PER SCHEDULE)	N/A	\$4,000	\$4,000	\$4,000
MAJOR MEDICAL BENEFIT				
LIFETIME MAXIMUM	N/A	\$7,500	\$20,000	\$25,000
DEDUCTIBLE PER PERSON	N/A	\$0	\$0	\$0
PAYMENT TOWARDS ELIGIBLE EXPENSES	N/A	80%	80%	80%
DOCTOR SERVICES-HOSPITAL CONFINEMENT				
MAXIMUM BENEFIT	N/A	\$800	\$1,275	\$1,275
PER DAY	N/A	\$50	\$75	\$75
PER DAY	N/A	\$25	\$40	\$40
DOCTOR OFFICE VISIT	N/A	\$200	\$200	\$200
DIAGNOSTIC	N/A	\$200	\$200	\$200
PRESCRIPTION				
ANNUAL MAX. BENEFIT AMOUNT	N/A	\$200	20% CO-PAY NO MAX.	\$3.00 CO-PAY NO MAX.
SUDDEN & SERIOUS EMERGENCY ROOM	N/A	\$1,000 MAX.	\$1,250 MAX.	\$1,250 MAX.

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SIDE LETTER OF AGREEMENT

During the term of the 1996 Collective Bargaining Agreement the Company acquired a second processing plant in the State of Delaware. The Company and the Union agree that the Collective Bargaining Agreement which they negotiated and which became effective on December 16, 2001 applies only to the processing plant located at Hoosier and Railroad Avenue in Selbyville, Delaware.

FOR THE UNION:

FOR MOUNTAIRE FARMS  
OF DELMARVA:

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Date: \_\_\_\_\_

Date: \_\_\_\_\_

IN THE UNITED STATES DISTRICT COURT  
IN AND FOR THE DISTRICT OF DELAWARE

WILLIE DAVIS, JR.,	)
NATHANIEL BRIDDELL,	)
JOSEPH GARRISON,	)
LARRY E. GIBBS,	)
ROY H. WALTERS,	)
	)
ALL SIMILARLY-SITUATED CURRENT	) C.A. NO. 04-0414-KAJ
AND FORMER EMPLOYEES OF	)
MOUNTAIRE FARMS, INC.,	) JURY TRIAL DEMANDED
MOUNTAIRE FARMS OF	)
DELMARVA, INC., and MOUNTAIRE	) COLLECTIVE ACTION
FARMS OF DELAWARE, INC.,	)
	)
Plaintiffs,	)
	)
v.	)
	)
MOUNTAIRE FARMS, INC.,	)
MOUNTAIRE FARMS OF	)
DELMARVA, INC., and	)
MOUNTAIRE FARMS OF	)
DELAWARE, INC., all Delaware corporations,	)
	)
Defendants.	)


**CERTIFICATE OF SERVICE**

I, Keri L. Morris, Esquire, do hereby certify that on May 23, 2005, I electronically filed *Appendix in Support of Plaintiffs' Answering Brief to Defendant's Motion for Summary Judgment* with the Clerk of the Court using CM/ECF which will send notification of such filing to the following attorney-of-record below:

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MARGOLIS EDELSTEIN

  
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